Ohio Rail Development Commission

Commission and Staff Retreat
August 30, 2007
8:00 a.m. to 4:30 p.m.

8:10 Welcome / Opening Remarks (donuts and coffee will be available)

8:15 Operations / Personnel:
- Introductions and short description of background /job duties of Staff and Commissioners – Jim Betts
- Secretary-Treasurer Position: Moving forward – Matt Dietrich
- Personal Service Contracts – Gloria Howard

8:45 Governor's Turnaround Ohio Plan & ORDC's role – Terra Goodnight

9:45 Break

10:00 Long Term Lease of the Panhandle Rail Line – Matt Dietrich

11:00 Passenger Rail – Don Damron

12:00 LUNCH

1:00 Railroad Roundtable – Art Arnold & ORA Board Members

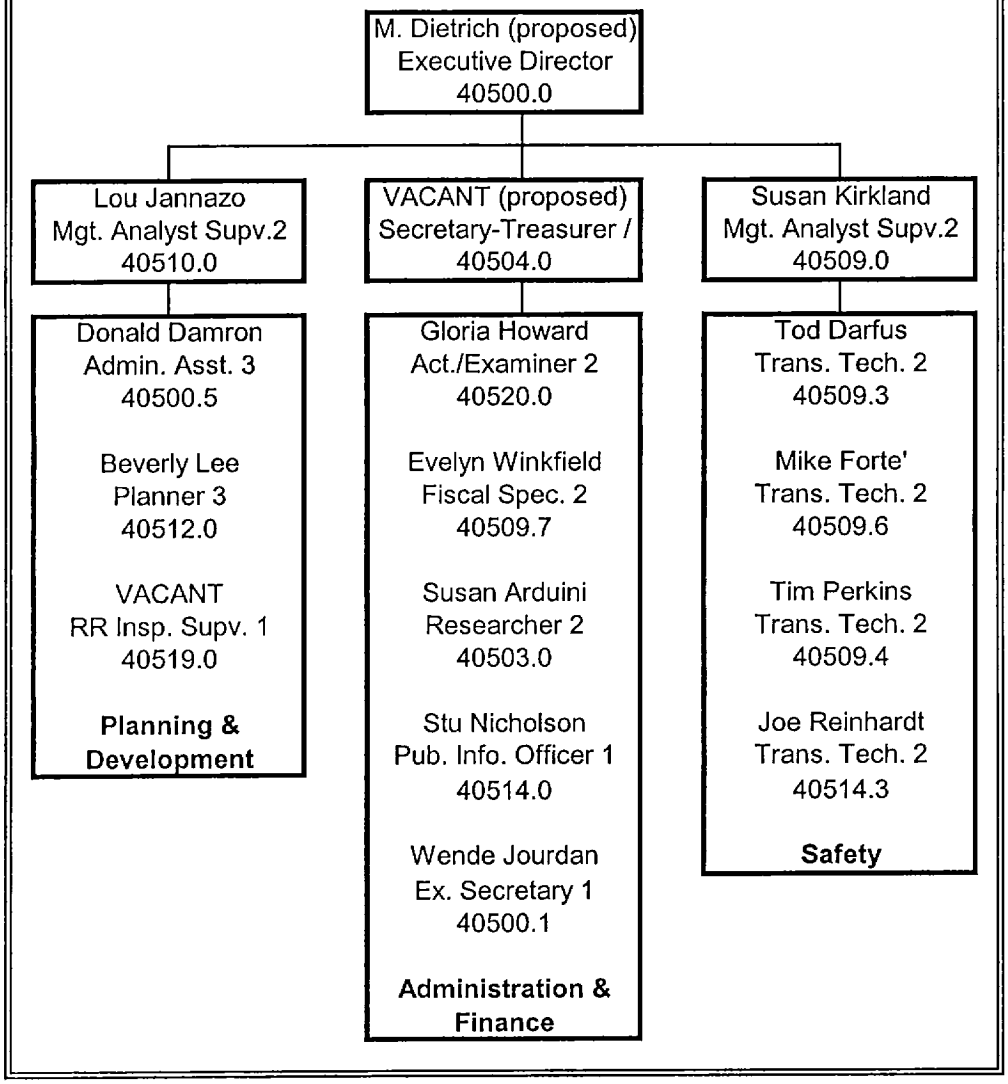
2:00 Break

2:15 Railroad Roundtable (cont'd)

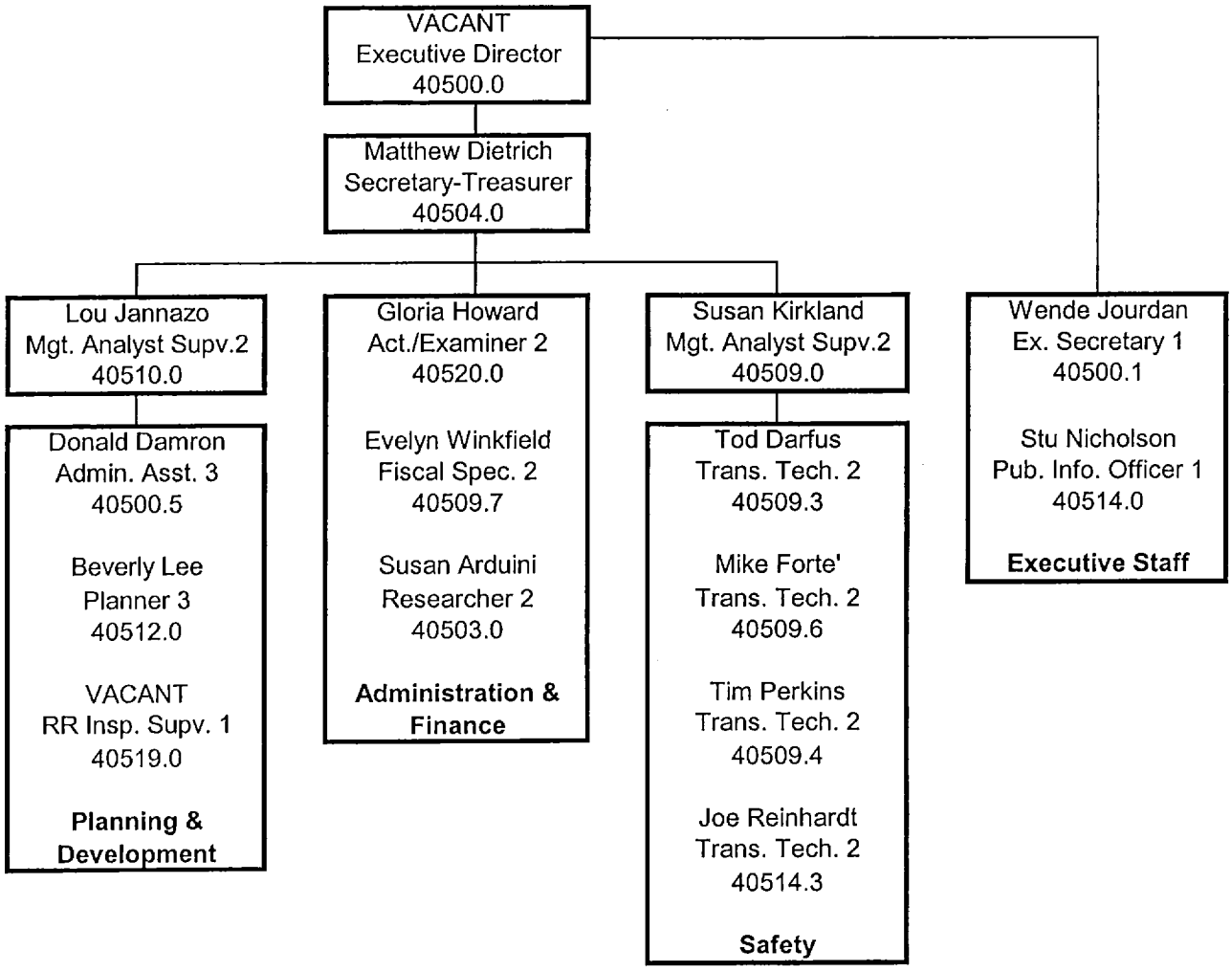
3:15 Public Relations / Public Perception of ORDC – Stu Nicholson

3:45 Action Items – Where does the Commission go from here?

OHIO RAIL DEVELOPMENT COMMISSION
August-07
PROPOSED



OHIO RAIL DEVELOPMENT COMMISSION
August-07
CURRENT



OHIO DEPARTMENT OF TRANSPORTATION
POSITION DESCRIPTION

DIVISION/DISTRICT	PAYROLL #	COST CENTER	HQ COUNTY		
24 - Ohio Rail Dev. Commission	770-000	314	Franklin	[X] OT Eligible [ ] OT Exempt Exec [ ] OT Exempt Admin	[ ] BU [X] EXEMPT [ ] CAREER PROF
NORMAL WORKING HOURS (EXPLAIN UNUSUAL OR ROTATING SHIFTS) FROM: 8:00 am TO: 5:00 pm				[ ] FILLED [X] VACANT	[X] UNCLASSIFIED [ ] INTERMITTENT
[ ] NEW POSITION [X] UPDATE [ ] RECLASS FROM:			PN & TITLE OF IMMEDIATE SUPERVISOR 20064457 Executive Director 3		
WORKING TITLE:					

PN 20064461

Fiscal Officer 3

TITLE

JOB CODE 66537

%	JOB DUTIES IN ORDER OF IMPORTANCE	MAC's
45	Acting for and on behalf of the Executive Director of the Ohio Rail Development Commission (ORDC), serves as Secretary Treasure by planning, directing and managing all fiscal budgetary, investment, contract, bonding and funding matters impacting multi-faceted Commission operations. Responsible for monitoring efficient allocation of the Commission's budget sources for all rail programs. Oversees and directs involvement in issuing of bonds, loans and franchise agreements. Develops & administers loan programs/debit financing. Manages portfolio of loan and bond issues. Develops & monitors all contracts between the Commission and outside vendors. Responsible for administering the Commission's payroll. Assists Executive Director in developing the Commission's budget. Ensures the Commission's fiscal activities are in compliance with state and federal laws, rules, regulations, and accounting practices. Assists Executive Director in defining Commission financial goals and objectives. Directly supervises fiscal section staff (e.g. provides developmental opportunities, coaches staff to foster development, job satisfaction, assigns work, evaluates performance, recommends discipline if necessary, provide feedback, approves time off, etc.). Reviews and approves goals and objectives proposed by staff. Meets with staff to discuss/evaluate project priorities and progress towards short and long term goals. Utilize quality principles and initiatives as part of routine operations.).	**Knowledge**: (1) Budgeting, (4) Accounting, (5) Management, (8a) Employee Training Development, (9b) Supervision, (11a) Public Relations, (13b*) Agency Policies & Procedures (ODOT, Rail Commission, Fiscal), (16) Interviewing, (17) Business (Finance/Accounting/ Management or related field) **Skills:** (29) Equipment Operations (Computer and peripheral equipment) **Abilities**: (30l) Define problems, collect data, establish facts & draw valid conclusions, (31e) Calculate fractions, decimals & percentages, (32p) Interview job applicants effectively, (33e) Gather, collate & classify information about data, people or things, (34e) Establish friendly atmosphere as supervisor of work unit, (34f) Handle sensitive inquiries from & contacts with officials & general public,
20	As Secretary Treasurer, has fiscal authority in administering the ORDC's Rail Grade Crossing Program (e.g., oversees receipt of invoices/reimbursements issued by Railroad companies for rail grade crossing work completed, oversees exceptions derived from audit findings of reimbursement, responsible for ensuring approved projects are funded in a manner consistent with and in compliance of federal guidelines). NOTE: Funding levels for the Rail Grade Crossing Program may increase or decrease per fiscal biennium.	*No additional knowledge skills or abilities required*
20	Prepares, maintains and oversees preparation and maintenance of reports, records, contracts, loans and correspondence related to the Commission's financial activities.	*No additional knowledge skills or abilities required*
15	Meets with and maintains contact with ORDC planning, safety and engineering personnel, local, state and federal officials, grantees, borrowers, port authorities, and rail companies involving Commission activities. Attends meetings, hearings or conferences on behalf of Executive Director.	*No additional knowledge skills or abilities required*
	UNCLASSIFIED PER 124.11A(3) ORC.	*Developed after employment

LIST PN & TITLES OF POSITIONS DIRECTLY SUPERVISED
20064458 Executive Secretary
20064469 PIO 1
20064472 Acct Exam 2
20064465 Fiscal Specialist 2
20064460 Researcher 2

DATE

DIVISION/DISTRICT DEPUTY DIRECTOR SIGNATURE

CENTRAL OFFICE ADMINISTRATION ONLY

DATE

CENTRAL OFFICE APPROVAL

Per: HR PLAN [ ] or HRPMF [ ]

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

MEMORANDUM
January 16, 2007

To: Ohio Rail Development Commissioners

From: Matt Dietrich, Acting Executive Director

RE: Current Personal Service Contracts

Per the request of Eric Neff at the January Commission meeting, below is a listing of the active Personal Service Contracts with the ORDC. I have included the Company Name, main Contact, Amount Contracted, Amount Remaining, Expiration Date and Summary. For the Commissioners reference I have also attached the individual Scopes of Work for the Active Contracts where applicable. If you have any questions, please do not hesitate to contact me at 614-644-0295 or Matt.Dietrich@dot.state.oh.us

Thank you.

COMPLETED BUT ACTIVE PERSONAL SERVICE CONTRACTS

For the following are personal service contracts, the contracts have either recently expired or the final work product has been delivered and the final invoice is in process.

Contractor:	R/W Specialists
Primary Contact:	George Wehner
Contract Amount:	$10,000
Contract Summary:	Appraisal of the Glass Rock Rail Line in Perry County, Ohio

Contractor:	Transportation Economics & Management, Inc.
Primary Contact:	Alex Metcalf / Chip Kraft
Contract Amount:	$9,966
Contract Summary:	Report presented to the Commissioners on January 11, 2007 – *Ohio Intermodal Rail Freight Growth Strategy Concept Study*.

ODOT CONTRACTED RAIL PROJECTS

There are currently 3 Passenger Rail Studies in which the Contract is held by ODOT but ORDC staff has oversight for payment.

Transportation Economics & Management, Inc. (Alex Metcalf)
OHIO HUB ECONOMIC IMPACT STUDY
Study Amount: $160,080.00
ORDC Amount: $57,740.00 (FY 06)
Status: Draft Report Submitted

GEM Real Estate Group (Doug Harnish)
OHIO HUB ECONOMIC IMPACT STUDY
Study Amount: $105,533.00
ORDC Amount: $11,900.00 (FY 06)
Status: Finalizing Draft report, one public meeting left

Transportation Economics & Management, Inc. (Alex Metcalf)
OHIO HUB ALTERNATIVE ROUTE STUDY
Study Amount: $149,999.00
ORDC Amount: $0
Status: Draft Report Submitted

SCOPES OF WORK FOR ACTIVE PERSONAL SERVICE CONTRACTS

Scope of Work: Capital Partnerships

The Contractor shall provide the following services to the Sponsor:

- Work as directed by the Executive Director of the Sponsor, serve as public affairs consultant on behalf of the Sponsor and its goals with members of the General Assembly, the Administration, Federal officials, and statewide stakeholders;
- Advise Sponsor on Congressional and Federal administrative activity impacting Sponsor;
- Serve as a spokesperson on behalf of ORDC passenger and freight project; and
- Other related duties as assigned by Sponsor.
- Work will be billed monthly at a rate of One Thousand Five Hundred and Forty-Five Dollars ($1,545.00).

Scope of Work: Engage Public Affairs

EXHIBIT I - Approach and Scope of Services – The Contractor shall:

1. **Organize and coordinate mid-November trip to Washington, D.C. to meet with key stakeholders.** Contractor will coordinate with ORDC and its representatives to schedule and coordinate a three-day trip to Washington, D.C. that includes: scheduling three days of meetings with Congressional delegation members and national groups serving seniors and people with disabilities; preparing meeting agendas, talking points and leave-behind materials for meeting participants. **Budget assumption: 36 hours total.**

2. **Participate in 11/16/05 feasibility study kick-off and June 2006 wrap-up meetings** to advise on how to respond to stakeholder input and report study findings. **Budget assumption: 8 hours total.**

3. **Pursue resolutions outlining guidance on freight and passenger rail issues from metropolitan planning organizations, chambers of commerce, transit agencies and cities** located along the proposed rail corridors as well as feeder bus cities. Services include three presentations to the Ohio Association of Regional Commission (OARC), follow-up phone calls and e-mails to representatives in cities along the proposed rail corridors. **Budget assumption: 8 hours monthly for 11 months, or 88 hours total.**

4. **Coordinate speaker's bureau and regularly seek input from key stakeholders.** Based on needs for input from throughout Ohio on the feasibility and economic impacts studies, Contractor will coordinate a speaker's bureau of ORDC representatives to address organizations and schedule at least two meetings a month with constituents who have a stake in the project's success or failure. Services including preparing meeting agendas, talking points and leave-behind materials for meeting participants. Provide meeting facilitation as needed. **Budget assumption: 16 hours monthly for 11 months, or 176 hours total.**

5. **Assistance with Database Development and Grassroots Communication.** Assist ORDC's grassroots efforts to build an updated e-mail database and update organizations with a stake in the Ohio Hub initiative. Includes review of written materials to ensure timely responsiveness to public input. **Budget assumption: 4 hours monthly for 11 months, or 44 hours total.**

6. **Project Administration.** Project administration to handle contractual and invoicing obligations, client meetings, miscellaneous coordination and client contact not accounted for in Tasks 1-5. **Budget assumption: 4 hours monthly for 11 months, or 44 hours total; $250 for miscellaneous postage, mileage and reproduction expenses.**

Total Professional Fees and Direct Expenses

Contractor's professional rate is **$110 per hour. Total estimated hours: 396.** Total direct costs and expenses: **$250**. ORDC will be billed for only those hours that are worked and expenses incurred. Should additional hours be required, Contractor will provide an estimate for those hours/expenses in writing for ORDC approval before additional work is performed.

Total project cost is $43,810 (FY 2006 = 29,199, FY 2007 = 14,611

Exhibit II * (Contract amended on 10/19/06 to include work below)

Task 1: Public and Agency Involvement, As Directed:
- Community surveys: (36 hours)
- TOTAL: 36 hours @ $120/hour = $4,320

Task 2: Grassroots Outreach, Communication
- Materials/briefings/resolutions of support: (16 hours)
- TOTAL: 16 hours @$120/hour = $1,920

Task 3: Inform Study Process
- Facilitate study team sessions (GEM, TEMS meetings – 8 hours)
- TOTAL: 8 hours @$120/hour = $960

Task 4: Administration
- Project administration (8 hours)
- Expenses (mileage, communication, copying, misc.): $200
- TOTAL: 8 hours @ $120/hour = $960

TOTAL Hours: 68 hours @ $120/hour = $8,160
TOTAL Expenses = $200
TOTAL: $8,360

SCOPE OF WORK – Highway-Railroad Safety Consulting, LLC

EXHIBIT I

PART 1:
- Provide Engineering Design Review of the plans and estimates of rail-highway grade crossing projects. This element will consist of two (2) half-day office or field reviews monthly as directed by the Manager, ORDC Safety Section.
- Fee – Flat fee of $1,000 per month for part one services.

PART 2:
- Assist ORDC staff on Highway-Rail intersection improvement projects including, but not limited to, performing diagnostic and/or corridor reviews, performing inspections at warning device construction and/or crossing surface reconstruction sites, attending public meetings advocating the elimination or consolidation of unneeded or redundant crossings, providing expert advice on complex and/or unusual projects, or other, as/when directed and authorized from time to time by ORDC's duly authorized representative.
- Provide assistance in the planning and implementation of proposed improvements at highway-rail crossings "statewide" resulting from changes in the Manual on Uniform Traffic Control Devices or other applicable statutes, rules and regulations including, but not limited to, making assessments at individual crossings and/or training ORDC staff in the making of such assessments, or other, as/when directed and authorized from time to time by ORDC's duly authorized representative.
- Provide assistance in the planning and implementation of proposed projects under ORDC rail facility improvement and/or rehabilitation grant and/or loan programs including, but not limited to, making track improvement and/or rehabilitation needs assessments relative to scope of work and estimated costs, performing ongoing and final project inspections to assure contract

compliance, or other, as/when directed and authorized from time to time by ORDC's duly authorized representative.

- Fee: All services under Part 2 to be billed monthly on a time and materials basis under the following schedule.

Hourly Rate: $70.00/hr + expenses* Daily Rate: $500.00/day + expenses*

* Expenses follow ODOT Travel Guidelines.

Highway-Railroad Safety Consulting, LLC will provide General Liability and Professional Liability Insurance in an amount up to $500,000 per occurrence and $1,000,000 aggregate per annual policy period at no additional charge.

SCOPE OF WORK – Seasongood & Mayer, LLC

The Contractor will charge a flat fee inclusive of expenses of $25,000 for the following professional services.

- Provide quantitative analysis and related recommendations relative to the defeasance of the outstanding Series 1992 Certificates of Participation (Panhandle Rail Line Project).
- Assist ORDC with the defeasance process, which will include policy development and related communication assistance. This work will include communication with federal agencies that can help facilitate the defeasance, as well as with the existing trustee for the outstanding bonds.
- Assist ORDC with finalization of the defeasance process.
- The fee will be due and payable within thirty days of satisfactory completion of the defeasance process.

ACTIVE PERSONAL SERVICE CONTRACT SUMMARY
January 12, 2007

Contractor:	Capital Partnerships, LLC
Primary Contact:	Christine Vineis
Contract Amount:	$18,540.00 (billed in monthly increments of $1,545.00)
Amount Remaining:	$10,815.00
Contract Expiration:	June 30, 2007
Contract Summary:	Provide ORDC public affairs support with General Assembly, Administration, Federal Officials and Statewide stakeholders.
Contractor:	Engage Public Affairs, LLC
Primary Contact:	Marie Keister
Contract Amount:	$52,170.00 Total Contract (FY 07 = $22,971.00 / FY 06 = $29,199.00)
Amount Remaining:	$5,071.17
Contract Expiration:	January 31, 2007
Contract Summary:	Public Meeting / Outreach Coordinator for Ohio Hub Passenger Rail Plan and Economic Impact Study meetings.
Contractor:	Highway-Railroad Safety Consulting, LLC
Primary Contact:	Tom Zeinz
Contract Amount:	$15,000.00
Amount Remaining:	$8,678.35
Contract Expiration:	June 30, 2007
Contract Summary:	Provide Railroad Engineering Support for Grade Crossing Safety projects as well as "as needed" Railroad Engineering / Inspection Services to Project Development Staff.
Contractor:	Rea, Cross & Auchincloss
Primary Contact:	Keith O'Brien
Contract Amount:	$2,000.00
Amount Remaining:	$2,000.00
Contract Expiration:	June 30, 2007
Contract Summary:	Special Counsel appointed by the Ohio Attorney General's office for Surface Transportation Board (STB) issues.
Contractor:	Roetzel & Andress, Co., L.P.A.
Primary Contact:	Timothy Ochsenshirt
Contract Amount:	$5,000.00
Amount Remaining:	$5,000.00
Contract Expiration:	June 30, 2007
Contract Summary:	Special Counsel appointed by the Ohio Attorney General's office for legal services.
Contractor:	Seasongood & Mayer, LLC
Primary Contact:	Megan Browning
Contract Amount:	$25,000.00
Amount Remaining:	$25,000.00
Contract Expiration:	June 30, 2007
Contract Summary:	Financial Advisor to ORDC for RRIF loan and defeasance of the COPS for the Panhandle Rail Line if RRIF loan application accepted.

Ted Strickland
★ FOR GOVERNOR ★

Turnaround Ohio: Revitalizing Our Cities and Towns

Turnaround Ohio aims to keep and grow the jobs we have by investing in Ohio's strengths and bringing the jobs of the future by making sure we have the most educated workforce possible.

Revitalizing Our Cities and Towns is our commitment to give local leaders the tools they need to create jobs and attract investments to make their communities vibrant centers of commerce. There are no great states without great cities, and as Governor and Lt. Governor, we will pursue a revitalization plan and an urban investment agenda that will work to create jobs in vibrant cities, provide an education that works for every student, and ensure we have safe and healthy communities throughout Ohio.

1) JOBS IN VIBRANT CITIES

Ohio has had a proud history of economic success that springs from our cities. Whether it is aviation in Dayton, rubber in Akron, marketing in Cincinnati, insurance in Columbus, glass in Toledo, bearings in Canton, steel in Youngtown, or manufacturing in Cleveland, our cities once dominated their industries. But recently, because of policy decisions that have emptied out our core communities, Ohio's towns and cities have not been the vibrant centers of commerce they once were.

A Strickland-Fisher Administration will partner with our cities and towns and embrace a new generation of entrepreneurs and innovation by:

- **Taking the Urban Entrepreneur Partnership Statewide and Promoting Economic Inclusion**

The survival and growth of business start-ups in urban areas can be significantly improved with a comprehensive, high quality program that supports our entrepreneurs. Ohio is home to two highly successful, nationally recognized urban entrepreneurship programs that all of our communities can emulate. Cleveland and Cincinnati have piloted the *Urban Entrepreneur Partnership* in collaboration with the Kauffman Foundation, resulting in exceptional growth among businesses in the program. In Cleveland, the program is operated out of the Small Business Development Center and resides at the National Urban League. Cincinnati's program operates in cooperation with the Cincinnati Urban Empowerment Center. Both programs provide urban entrepreneurs with access to

a high quality network of business services and complement these resources with a comprehensive counseling program from a network of committed peer companies and executives. Notably, this program results in improved economic inclusion for minority businesses, in terms of access to capital, diversity of suppliers for businesses and government, and workplace diversity in executive suites and corporate boardrooms.

The Strickland-Fisher Administration will take this approach - and its economic inclusion successes - statewide, developing similar programs specifically designed for urban entrepreneurs in every major city in the state. We will dedicate $5 million annually to this project, which can be funded by reallocating funds currently used for the Economic Development Division and the Small Business Development Centers Program within Ohio's Department of Development.

- **Establishing New Micro-Incubators**

A Strickland-Fisher Administration will work with local communities to replicate the success of existing business incubation programs. These "micro-incubators" will provide start-ups with immediate access to ready-to-occupy flexible office space with room to grow and the ability to tap into shared computing facilities. Entrepreneurs additionally benefit from mentoring provided by local business leaders and university faculty involved in the program. Research has shown that public investment in incubators results in greatly expanded tax revenues and increases the chance that the businesses will succeed and grow. Communities that can demonstrate significant local commitment to the program will be selected in a competitive process. Four new centers will be established at an anticipated start-up expense of $3.5 million and annual operating costs of $.75 million. The program will be paid for with a combination of federal sources, including the Department of Commerce and the Appalachian Regional Commission, and existing state funds within the Ohio Department of Development.

A Strickland-Fisher Administration will work with local leaders to make Ohio's cities and towns attractive places to do business by:

- **Supporting the Ohio Main Streets Program and Historic Preservation Tax Credits**

As a symbol of a community's heritage, the health of its historic downtown district provides a visible indication of an area's economic vitality, in turn affecting its ability to recruit new businesses and residents. In Ohio, the nonprofit Heritage Ohio operates the Ohio Main Street Program, promoting historic preservation and economic development of traditional downtown business districts. Communities selected for official "Main Street" designation undertake a rigorous program of consultation and planning and seek private investments and federal grants to redevelop downtowns into vital centers of community activity and commerce. Since the program's inception in 1998, Ohio's thirty-two Main Street communities have helped stimulate civic pride and economic activity, producing over $300 million in reinvestment and more than 1,800 full-time jobs.[1]

[1] Heritage Ohio.

A Strickland-Fisher Administration will commit $3 million annually to the Ohio Main Street program and participating communities. Funding will be provided by reallocating resources within the Ohio Department of Development.

Additionally, the Ohio House of Representatives recently passed a bill to provide for a State Historic Preservation Tax Credit. This is a good first step for attracting investments and supporting the redevelopment of existing communities. We will support efforts in the General Assembly to move this bill forward.

- **Using Ohio's NextGen Broadband Network to power downtown wireless districts in Ohio's cities and towns**

In BroadbandOhio, the ***Turnaround Ohio*** plan for broadband deployment statewide, we have focused on an affordable way to build out broadband on the Ohio NextGen Network to every county seat in all 88 counties. As part of that strategy, the NextGen Network will make available high bandwidth connectivity for economic development and municipal use. Such connectivity is important for attracting new businesses to Ohio's towns and cities. Additionally, every county seat in Ohio and many neighboring towns will be able to affordably create wireless districts in their downtowns and commercial areas.

- **Creating an Urban Markets Tax Credit**

A Strickland-Fisher Administration will also work with Ohio's mayors and neighborhood leaders to create an Ohio Urban Markets Program, designed to stimulate investment in our urban neighborhoods by attracting private investment through a new investment tax credit program. We want to help build healthy neighborhoods by investing in economic and community development projects that create jobs locally, provide critically needed healthcare and that create affordable housing opportunities. This would begin as a pilot program, modeled after the successful New Markets Tax Credit Program at the federal level. A Strickland-Fisher Administration would dedicate $20 million in tax credits for the first year of this program.

A Strickland-Fisher Administration will ensure investments in infrastructure that will make our towns, cities and state places that can support the needs of businesses by:

- **Making Ohio a Gateway to International Commerce and a Hub for the Nation's Freight**

A Strickland-Fisher Administration will harness Ohio's strengths and partner with private industry to create the ***Ohio Gateway*** – an integrated network of multi-modal facilities that seamlessly links Ohio's citizens, businesses, railways, highways and port facilities into the most advanced and efficient transportation system in America. Ohio's location, industrial base and network of distribution and logistics assets uniquely position our state to become a premiere gateway to international commerce and a hub for the nation's

freight. Sixty three percent of the U.S. manufacturing base and major population centers of the Northeast, Midwest and Canada lie within 600 miles of Ohio. Furthermore, the state ranks 4th in the nation in the value of freight exported, third in imports and is home to a number of major air and seaports.

To reach its full economic potential, Ohio must create the conditions necessary to attract the distribution and logistics industries to move the nation's goods using our ports, rails and roads. The explosive growth that is forecast to occur in freight shipments across Ohio cannot be accommodated by our current infrastructure alone. To be successful, we must also link our many air and water ports, expand our rail network, link local communities to major rail lines, and create seamless connections to port facilities and transportation hubs in nearby states and countries. Development of the ***Ohio Gateway*** requires a bold approach to transportation planning that is closely tied to the state's economic development objectives. By improving our rail system, modernizing our ports and building regional partnerships, we will establish Ohio as home base to the nation's distribution and logistics industries that could potentially create 40,000 new jobs in the eight years of a Strickland-Fisher Administration.

I am on record supporting the Ohio Hub, a rail system that will serve intercity corridors with integrated air, highway and transit. Investment in rail infrastructure will strengthen our state's assets as a premiere gateway to international comers, a hub for the nation's freight and lay the groundwork for passenger service. A Strickland-Fisher Administration will strongly support efforts to move ahead on freight rail expansion in Ohio, working for passage of pending legislation to provide federal matching funds for rail projects. We will also double funding for Ohio Rail Development Commission grants for local rail spurs and intermodal facility construction projects at an annual cost to GRF of $2 million.

- **Incentivizing Smart Growth and Making "Fix-It-First" a Priority for State Investments**

A Strickland-Fisher Administration will embrace "Fix-It-First" and "Smart Growth" principles as strategies to redevelop our urban areas. Ohio should not be using taxpayer dollars to promote unchecked sprawl or to encourage the abandonment of cities. Fix-It-First policies will allow us to, where appropriate, focus our spending on the repair of existing roads, bridges, rails, and other infrastructure. And when new infrastructure is needed, Smart Growth policies will allow Ohio to direct investment toward those areas specifically designated by local jurisdictions for growth.

- **Address The Problem of Vacant and Abandoned Industrial and Residential Buildings and Land**

Development of brownfields -- urban and rural sites with environmental contamination – costs six to eight times what it costs to develop pristine land. The public sector must help narrow this differential. A Strickland-Fisher Administration will use our experience in obtaining federal support for state priorities by working with Ohio's Congressional delegation to obtain additional brownfield redevelopment funding.

Today, the Clean Ohio Revitalization Fund (CORF) in the Ohio Department of Development provides critical financial assistance in the cleanup of brownfield sites for communities that are seeking to revitalize contaminated sites. The program has been particularly helpful in urban areas which are facing significant challenges in redeveloping sites that had previously been productive. The Strickland-Fisher Administration will actively support efforts for the reauthorization and continued funding of the Clean Ohio program and will work to improve its administration so that we can adequately meets the significant needs of our communities.

A Strickland-Fisher Administration will partner with local leaders to ensure policy decisions at the state level will support our towns and cities by:

- **Establishing a Governor's Office of Urban Development and Infrastructure and Creating an Ohio Development and Redevelopment Plan**

A Strickland-Fisher Administration will establish the Governor's Office of Urban Development and Infrastructure, charged with assuring that the priorities of Ohio's cities and towns are articulated and made part of all our ***Turnaround Ohio*** priorities across all cabinet agencies, boards and commissions. Additionally, this office will coordinate development of an Ohio Development and Redevelopment Plan through a statewide process with significant input from mayors, city councils and metropolitan planning organizations. This plan will target Ohio development to those areas of the state where it is needed and desired, better allocating resources to areas that need them for job development, infrastructure renewal or to preserve farmland. Ohio's ability to revitalize economically will require an interagency and state-local approach never before undertaken in our state.

- **Supporting and Reforming the Local Government Fund**

The Local Government Fund is a tangible expression of the longstanding, 70-year partnership in Ohio between the state and local leaders. We must remain committed to the Local Government Fund and improve it, not destroy it. The Strickland-Fisher Administration will oppose any legislative efforts to repeal the Local Government Fund and will devote our efforts to rebuilding and reforming it to adjust to tax changes and program priorities important to Ohio's cities and towns. We will support current initiatives to reform the local government fund, so that it:

  - Adequately supports local social service needs
  - Is predictable and stable from year to year, protecting the state budget, as well as our cities and towns from see-saw budgeting
  - Provides strong support for safe and secure communities
  - Allows for long-term investments for job creation and formation

- **Establishing an Ohio Community Charter that will Reward Cities and Towns Working Together to Build Strong Regional Economies**

Companies often need to react to market changes, and move locations to maximize the efficiency of operations. But in other cases, the move of a building a few blocks will move a company's tax base from one community to another. Under the Strickland-Fisher Administration, the state will take a strong stand against poaching (the practice of enticing one company to a neighboring town just to obtain the tax revenue base and jobs). We need cities and towns that work in partnership to build strong regional economies that will turn our state around, not civic leaders that seek to undermine their neighbors.

The Strickland-Fisher Administration will create a certification process for communities, in consultation with Ohio's professional economic development organizations. Certified communities will sign a Community Charter signifying that they are committed to collaborative approaches to development such as adhering to a regionally developed "non-compete" arrangement and allowing school districts to have a voice in how abatements are implemented. The state, for its part, will prioritize its approval of economic development tax incentives for projects for those cities and towns that have signed the Community Charter.

The state will also encourage joint economic development districts to enhance regional economic cooperation among local governments. These projects can create win-win solutions with multiple jurisdictions sharing new revenues and gaining jobs for their respective citizens. The state must clear the obstacles that impede the ability of local governments who choose to share revenues under these agreements.

- **Bringing Funding Decisions to Town Squares, not Capitol Square**

As communicated in recent policy announcements, the ***Turnaround Ohio*** economic development strategy will "regionalize" state dollars for economic development, infrastructure support and workforce training. Decisions about funding priorities and budget allocations will be put close to those neighborhoods that have the most knowledge and stake in those decisions. This will allow local and regional civic, business, and elected leaders to determine the best economic development investment strategy for their region.

- **Making the Job Ready Sites Program City-Friendly**

The Job Ready Sites Program, one element of the public works and economic development bond package approved by voters last fall, is a seven year grant program intended to create a statewide inventory of sites available for immediate use by large-scale commercial and industrial operations. Upon taking office, the Strickland-Fisher Administration will take immediate actions to ensure that the rules of this program do not disadvantage our cities. Specially, we will roll back the Job Ready Sites rules that currently limit the program to sites greater than 150 acres.

- **Continuing a strong support for the Arts to boost Ohio's Creative Cities**

Cities across America are now recognizing that the Arts are not only a quality of life issue but also an economic engine for development and revitalization. Civic leaders are acknowledging that the Arts play a key role in determining a city's social and economic identity. Arts and cultural facilities are the foundation of Ohio's vibrant history. These facilities and the exciting programs they provide add value to every community and are particularly important to attracting and retaining creative knowledge workers and revitalizing communities. There are nearly 17,000 arts-related businesses in Ohio and those businesses employ more than 89,000 people. A Strickland-Fisher Administration is committed to providing state capital funds for community arts projects that will achieve the most productive results for the public. The state should adopt standards and a model community capital improvements process for all state-funded arts projects using the Ohio Cultural Facilities Commission.

- **Leading by Example**

We will assure that investments in state facilities and new leases are made with a priority on locations that are close to transit routes and in core urban areas. We will focus state resources on reusing vacant and abandoned buildings in urban cores, bringing daytime, pedestrian traffic back to our urban centers and spurring strong urban retail markets.

2) EDUCATION THAT WORKS

Education is the backbone of our communities and the gateway to economic opportunity. All of Ohio's families, despite where they live, must be able to send their children to safe schools that provide them the skills they need to compete in a global economy. Many of our education proposals have been laid out in previous **Turnaround Ohio** announcements including Learning for Life: A Fair Start for Every Ohio Child and Learning for Life: High Quality Education for High Quality Jobs. Below is a recap of some of those previously announced initiatives as well as new commitments to other important programs.

A Strickland-Fisher Administration will ensure that all Ohioans have access to an education that works and schools serve as dynamic centers of our communities by:

- **Closing the Achievement Gap at an Early Age**

Ohioans are born with many different levels of opportunities, and despite their individual circumstances, the Strickland-Fisher Administration is committed to giving all of Ohio's children a fair start in life. Investments in the earliest years offer a tremendous opportunity for building a lifetime of positive outcomes, but far too many Ohio children are falling behind at the start of their academic journeys. This achievement gap has roots that begin long before a child enters the schoolhouse door, but participation in high quality early learning programs is a demonstrated method for boosting school readiness for vulnerable children. We must make such opportunities available to all of Ohio's children, particularly those at risk for failure. In our ***Turnaround Ohio*** proposal Learning

for Life: A Fair Start for Every Ohio Child, we commit to investing $50 million per year in quality early care and education. In this plan, we also recognize the critical importance of a child's social, emotional and physical development in school readiness and lifelong learning and have pledged to increase the availability of voluntary screening and treatment of physical and behavioral health problems in young children.

- **Ensuring All Students High-Quality Teaching and Instruction**

The research is clear: the single most important thing that a school can provide its students with is a skilled and knowledgeable teacher. As explained in our **Turnaround Ohio** proposal Learning for Life: High Quality Education for High Quality Jobs, we will work to incentivize public colleges and universities to prepare primary and secondary teachers who agree to work in "hard-to-staff" schools including schools with high rates of teacher turnover, high proportions of under-prepared teachers and low rates of student achievement.

- **Adequately Funding Interventions for At-Risk Students who are Not at Grade Level**

The State of Ohio has already mandated diagnostic and achievement assessments and interventions for our under-performing students. Unfortunately, current leadership has not appreciated the value of helping these students and has not adequately funded these interventions. A Strickland-Fisher Administration will be committed to making sure that our students, especially those most at risk, will not be left behind. We will support both interventions that complement classroom instruction as well as strategies that could include opportunities in smaller classes and after school programs. If our economic development depends on a strong, educated and capable workforce, we can no longer afford to ignore our under-performing children.

- **Engaging Communities and Schools in Preventing Dropouts**

Leaving school without a diploma deprives young people of not only needed knowledge and skills, but it also deprives them of the availability of opportunities throughout their lives. Dropouts are likely to have low lifetime earnings and higher incarceration rates, and there is also a higher likelihood that their children will drop out of high school and start the cycle anew. Unfortunately, research suggests that nearly one out of three public high school students won't graduate. As outlined in our **Turnaround Ohio** proposal Learning for Life: High Quality Education for High Quality Jobs, a Strickland-Fisher Administration won't ignore school dropouts. Instead, it will challenge educators, families, and communities to give these young people a second chance. By identifying those at risk for dropping out and expanding programs that are targeted at our students in danger of leaving school, we can work with students to ensure that they remain engaged.

- **Ensuring Stable, Secure Funding for Education**

For many years, Ohio has experienced an education funding crisis in both K-12 education and in the continued decline of state support for post-secondary education. The

Strickland-Fisher Administration will bring all parties together to craft a new method of funding schools that is consistent with the demands of the Ohio Constitution.

- **Encouraging Young Ohioans to Overcome Alienation and Raise Aspirations**

Many young African American students, especially low income urban males, begin to form opinions about their opportunities in life at a very young age. They look around and see disinvestment in their communities, lack of job opportunities, and an emerging peer culture that reflects survival, not long-term planning. Regrettably, at the beginning of this decade, more African-American men were in Ohio's prisons than were in our college and universities.[2] We can engage at-risk students through after-school, culturally specific, and academically focused programs. We can also infuse professional development and teacher education programs with cultural competency components so teachers will know their students and build on what their students bring to school.

We must also provide all Ohioans, especially those most at risk, real opportunities for higher education. Unfortunately, over the last decade state support for higher education has diminished while tuition costs have increased. This puts more of the financial burden of higher education on the student and puts higher education further out of reach. We can no longer go in this direction. In our **Turnaround Ohio** proposal Learning for Life: High Quality Education for High Quality Jobs, we lay out our commitment to a number of proposals, including Ohio's Knowledge Bank, that will raise aspirations and make college a reality for more Ohioans.

- **Recognizing Schools as Centers of Our Communities**

Ohio's schools have the potential to be more than solid academic centers. Schools can serve as the centers for community life. The Strickland-Fisher Administration will support using our high schools after school hours for recreation, adult training classes, social service and health programs, cultural activities, and as a gathering place for the surrounding community. Having the school open late and year-round for community activities can also increase the safety of our neighborhoods by providing our young people alternatives to deviant behavior.

To achieve this goal of making schools the centers of our communities, we must look at how we construct and renovate our schools. Ohio currently spends billions of dollars through the School Facilities Commission to build and renovate our schools. Unfortunately, the Commission uses a design model that fails to fully recognize the needs of communities, which often results in schools that are disconnected from neighborhoods. In fact, some of the design requirements even rule out new school building in urban neighborhoods. A Strickland-Fisher Administration will take steps to revise these rules so that they are friendlier to urban school development and redevelopment.

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[2] Education and Incarceration" Justice Policy Institute 2003.

3) SAFE AND HEALTHY COMMUNITIES

Our neighborhoods must be safe, healthy, and nurturing places for young people to learn and grow. In our **Turnaround Ohio** plan, we have articulated very specific initiatives aimed at improving access to basic healthcare services and expanding the number of Ohioans with health insurance. Some of these already released initiatives are reflected below.

A Strickland-Fisher Administration will work to end health disparities by:

- **Increasing Access to Affordable Healthcare Coverage**

Lack of health insurance is a growing national problem, but it is more pronounced for the African-American community. The Strickland-Fisher Administration will work to close the gap and make affordable health insurance available to more Ohioans. We will also pursue policies to both fully utilize and expand the number of our community health centers to increase access to under-served populations.

- **Providing Preventative Care**

In the United States, we have the most advanced healthcare system in the world but must endure the disgrace of having one of the least healthy populations among industrialized nations. One of the reasons for the embarrassingly low ranking is that our health and social service systems, which share a mission to assist those at risk and improve health, do not share a broad-based strategy to identify and treat those most at risk. In Ohio, many of those most at risk for catastrophic outcomes associated with pregnancy, diabetes, and hypertension enter our system through our emergency rooms. This system short-changes preventive care and neglects wellness. It focuses on treating preventable diseases after they occur, rather than promoting good health up-front. A Strickland-Fisher Administration will invest in the kind of front-end, preventive care that we know lowers overall healthcare costs and keeps people healthy.

- **Working to Increase the number of Minorities in Health Professions**

African-Americans remain underrepresented in health professions. In 2004, only 2.3% of all non-federal physicians in Ohio and 6% of Ohio's medical school graduates were African-American. A Strickland-Fisher Administration will seek to improve quality of care for all Ohioans by encouraging medical institutions to recruit more minorities into their programs and to ensure all training meets the needs of diverse patient populations.

We must also ensure practitioners' abilities to treat patients regardless of race, gender, ethnic background or language barriers and find ways to provide the additional resources needed by healthcare professionals to ensure quality care for all populations.

- **Investing in Urban Healthcare Facilities**

Investment in healthcare facilities in African-American neighborhoods is low. Work must be done with all healthcare systems to encourage investment in impoverished neighborhoods, especially for the delivery of preventative services. Creating community healthcare centers in retail shopping complexes can offer patients a vast array of services during convenient hours and easier-to-access locations than isolated medical complexes. Research shows that patients have a greater propensity to utilize services that are co-located with grocery and other retail stores.

- **Investing in Community Safety**

With strong state leadership, community safety programs will be developed to revitalize neighborhoods by bringing together local businesses, schools, faith based organizations, the justice system, police and most importantly the individual members of the community. We will work with local leaders to reduce bureaucracy and empower them to adequately address the social and criminal elements that drag their communities down and disenfranchise local residents and businesses. The city of Akron and the Akron Community Foundation have created a neighborhood partnership program designed to encourage new creative neighborhood efforts. This program provides small matching grants to local organizations wanting to improve their neighborhoods, with programs that address safety, education, cleanup and/or vacant lot improvements. A Strickland-Fisher Administration will support such successful programs and as mentioned earlier in this document, will encourage the use of our schools after-hours so that communities can provide alternatives to deviant behavior.

- **Helping Communities Cope with Crime, Victimization and Prisoner Re-entry**

As a former psychologist in Ohio's prison system, Congressman Strickland has worked with inmates and understands the detrimental effects of incarceration on families, communities and the state. Those who are incarcerated are not providing for their families, employed in their communities, or positively contributing to their neighborhoods. They also cost the state $25,280 per inmate annually.[3]

Research shows that education and economic opportunity contribute to a reduction in incarcerations. Many of the policies laid out earlier in this document can create these opportunities and, when implemented, will prevent the number of incarcerations.

Ohio is also faced with the challenges of reintegrating inmates into our communities. Urban areas are frequently the areas that must bear the costs of reintegration; Cuyahoga County alone received over 20% of state prisoners released in 2001.[4] If opportunities to become productive, law-abiding citizens are not available in a community, the likelihood of a recently released inmate returning to prison is increased.

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[3] Ohio Dept of Rehabilitation and Corrections June 2006 Fact Sheet
[4] Urban Institute. "A Portrait of Prisoner Re-Entry in Ohio."

As a member of Congress, Ted Strickland is a cosponsor of HR 1704, the Second Chance Act of 2005, introduced by Congresswoman Stephanie Tubbs Jones, which would provide federal funds for a variety of programs including housing, employment and family support services aimed at allowing those reentering our communities to become productive citizens who contribute to their families and local economies. Additionally, Ted has authored legislation to establish mental health courts and has been a vocal supporter of drug courts, both of which divert clients to the appropriate treatment and supportive services in the community. As Governor, Ted will continue to encourage such supportive services in Ohio's cities and towns.

We must also do more to ensure our youth offenders do not go on to become incarcerated adults. The Ohio Department of Youth Services (DYS) reports that the three-year recidivism rate for youth offenders is 50%. We must provide prevention and support services such as education, after school programs and drug treatment to help with the reintegration of juvenile offenders so that they avoid the cycle of incarceration. Many of our cities are taking great steps to provide a successful reintegration of juvenile offenders, and a Strickland-Fisher Administration will support programs that work.

- **Develop a Long Term Plan to End Homelessness and Support Affordable Housing in Neighborhoods**

Because Ohio has not developed a long term plan for ending homelessness, we have paid the price through higher healthcare, emergency shelter, and criminal justice costs. We know that supportive housing that is permanent with services to help people become healthy and employable is more cost-effective and humane, and we have examples in Ohio that prove that it works. It takes leadership at the top levels of government, however, to coordinate the resources of housing, mental health, employment, and other services to create supportive housing that works.

There are three critical components to a supportive housing strategy: capital funding for the facilities; operating funding for management, maintenance, and utilities; and supportive services such as case management, alcohol and drug treatment, and employment readiness. Unless all three are available and coordinated, supportive housing won't develop on a scale that will end long term homelessness in Ohio.

The Strickland-Fisher Administration will significantly increase the number of supportive housing units by prioritizing state funds to increase the production and demonstrate the effectiveness of permanent supportive housing. Additionally, we will provide leadership to the Interagency Council on Homelessness. With leadership from the Governor's office and cabinet members, this council should focus on removing barriers to accessing mainstream resources for residents of supportive housing, including: Medicaid, Workforce Investment Act, Mental Health, and Alcohol and Drug Treatment. Finally, the Strickland-Fisher Administration will develop a long term plan for ending chronic homelessness that focuses on prevention as well as affordable housing and services.

A long term plan, with commitment from the top, will focus policy on the systemic changes that are needed to align affordable housing and access to supportive services to

achieve better individual and community outcomes. The Strickland-Fisher Administration will work to reform some of the state's housing programs, such as the administration of the Low-Income Housing Tax Credit (LIHTC) program. This change will ensure that some housing units are built in "areas of opportunity." State policies will also be made and enforced to remove obstacles keeping citizens from affordable housing.

- **Build Assets in Our Neighborhoods and Combat Predatory Lending and Foreclosures for Residents**

Ohio is first in the country in foreclosures with a rate that is triple that of the nation and second in personal bankruptcies. Increasingly, the cities of Ohio are being ravaged by predatory lenders who make loans, grab quick profits, and then abandon properties and homeowners. Our cities are littered with abandoned homes that are vacant because of predatory lending. These lenders particularly target the elderly and minorities.

The legislature has recently taken action to combat these predatory lenders and we are committed to strong enforcement of these new laws to assure that Ohio's consumers are protected from unscrupulous lenders.

Additionally, a Strickland-Fisher Administration will also enforce HB 254 which expedites the process of getting foreclosed homes either fixed up and sold or torn down. Help will be given to victims of foreclosure to save their home, if possible, or to move on if not possible.

Finally, a Strickland-Fisher Administration will work to prevent foreclosures and bankruptcies from happening it the first place by educating consumers. State Representative Joyce Beatty has introduced a bill that would add, as a graduation requirement, that all Ohio high-school students receive a minimum of 10 hours of instruction in the field of personal economics including: financial planning, financial decision-making, and consumer credit. By educating students about such financial issues, predatory lenders will have a smaller chance of taking advantage of Ohio consumers.

Panhandle Rail Line – Long Term Lease Discussion

At the last two Commission meetings, the subject of a long term lease of the Panhandle Rail line was discussed. While there are volumes of information available on the Panhandle Rail Line, the presentation has been assembled to provide the Commission with a very brief overview of recent Commission actions on the Panhandle Rail Line as well as points to consider in contemplating a long term lease. It is not in any way to be construed as a complete list, but rather something to stimulate discussion.

September 2005 Meeting: OLD BUSINESS Panhandle Rail Line - Commission Action
Chairman Betts asked any Commissioner who might want to comment on the issue of the potential sale of the Panhandle Rail Line to do so. Commissioner McOwen commented on the potential sale of the Panhandle Rail Line in the context of public investment in rail infrastructure in general. Commissioner McOwen indicated that railroads are the most cost-efficient mode of freight transportation and it is his feeling that the State of Ohio (ORDC) should "ride out" the lease on the Panhandle Rail Line and not consider and sale at this time. Chairman Betts reported that it is his feeling that many of the Commissioners are uncomfortable with the idea of selling off the asset and that he feels a motion to "indefinitely postpone any consideration of the divestiture of any interest in the Panhandle Rail Line" is in order. Clarification by Chairman Betts was given as to "indefinitely" meaning no pre-disposed amount of time being given before this issue comes before the Commission again; i.e., "it could be 100 days or 100 years." Commissioner McOwen moved to approve the motion and Commissioner Sowers seconded the motion. A short discussion followed with Commissioner Roberts inquiring about the amount of staff time already spent on the Panhandle project and the amount of work that will be lost if the Commission considers this issue at a later date. Director Seney indicated that nothing will be lost with this decision. ORDC may need to update some appraisals and possibly some other information but that the efforts of the Commission were not in vain. Roll call was taken and the Commission voted with eight votes in the affirmative; one absent.

March 2006 Meeting: NEW BUSINESS: Columbus & Ohio River RR Request for a Long-Term Lease on the Panhandle Rail Line
Director Seney spoke about the Ohio Central's request for a long-term lease. He stated that a "long term lease option should be bid just like a purchase would be bid." Director Seney indicated that a few issues were present that needed to be cleared up prior to granting a long term lease to the Ohio Central or anyone else. He spoke about the fact that a thorough evaluation of the rail line was necessary so the State is fully aware of the Line's value as an asset.

Director Seney indicated that this was a very complex issue with a lot of loose-ends that needed to be discussed and finalized prior to the expiration of the Ohio Central's current lease agreement next year (June 2007).

Mr. Bill Strawn, President of the Ohio Central Railroad, was present for additional comment and spoke on the Ohio Central's contribution to the Panhandle Line. Mr.

Strawn indicated a total of $22 million has been spent to date with an additional $6 million proposed for future repairs. Mr. Strawn asked that the commission come to a decision as quickly as possible regarding their request so all plans will continue to move forward on schedule as planned.

Commissioner Sowers referred to the letter from Mr. Strawn and inquired about the timeline for a decision regarding the future operator of the Line. Mr. Seney responded that the timeline was set for us by the expiration date of the current contract; June of 2007. He indicated we will have an answer well in advance of the expiration date.

Commissioner Neff asked for an itemized list outlining the Ohio Central's expenditures thus far so the Commission had a better understanding of what has been done. Mr. Strawn responded by saying he would provide the commissioners with such a list.

July 2006 Meeting: Panhandle RRIF Application (Resolution 06-10)
Mr. Dietrich reported ORDC is proposing to purchase the Panhandle Rail Line from CAPRAIL 1 using Federal Railroad Administration's (FRA's) Railroad Rehabilitation and Improvement Financing Program. In doing so, the existing 1992 bond issuance will be paid down eliminating the need for CAPRAIL 1 because it will be replaced with long term, fixed rate financing from the FRA.

Mr. Dietrich stated that ORDC has been discussing opportunities to utilize the RRIF loan program over the past several years. He has looked at several ways to accomplish a savings and indicated he feels the RRIF Loan is the most effective way to do this. The project benefits are the cost savings in the short term (the elimination of the need to hold $764,400 in the 4N4 account and approximately $2.5 million through 2012). The savings can then be reinvested in projects. A proposed closing date of November 1, 2006 was utilized in calculating the figures. Discussion followed with Megan Browning of Seasongood & Mayer present to answer questions of the commissioners.

This resolution will authorize ORDC to borrow money from the FRA's RRIF Loan Program to payoff the Panhandle Rail Line project Series 1992 Certificates of Participation and acquire the Panhandle Rail Line under Chapter 4981 of the Ohio Revised Code. Chairman Betts asked for a motion to approve resolution 06-10. Commissioner Wolfe moved to approve the resolution and Commissioner McOwen seconded. Roll call was taken with six votes in the affirmative. The resolution is approved.

Note: Chairman Betts asked to deviate from the schedule slightly and discuss the BSE Report on the Panhandle Valuation under the "Old Business" portion of the agenda.

July 2006 Meeting: OLD BUSINESS: BSE Report on Panhandle Valuation
Director Seney spoke on the valuation report for the Panhandle Rail Line. He indicated that since the Commission voted to keep the Panhandle as a state asset, it then became necessary to evaluate how best to take care of the issues along the line such as bridges and tunnels that are in need of repair in order to preserve this asset. BSE Partners, LLC

was contracted by ORDC to determine the Panhandle Line's value. Director Seney indicated it was critical to identify the value of the line to determine what was appropriate to charge its operators. Director Seney introduced Brad Eldridge of BSE Partners who conducted the investigation and prepared the final report for ORDC.

Mr. Eldridge introduced himself to the commissioners. Mr. Eldridge indicated his conclusion was the lease was worth $799,000 per year over a 25 year period. He reported factors such as the economy, the state of the railroad industry in the Ohio and the country and a current appraisal were all used to determine the line's value to establish fair market value of a lease. Discussion followed.

May 2007 Meeting: 5-YEAR RENEWAL OF PANHANDLE RAIL LINE OPERATING AGREEMENT – Resolution 07-06

Matt Dietrich presented the Panhandle Operating Agreement Lease Renewal (Pg 31 of the commission packet) requested by the Columbus & Ohio River Rail Road (C&OR). Mr. Dietrich reported there are a few minor changes to the current operating agreement that ORDC recommended and the C&OR has accepted. These changes include: elimination of the un-audited financial statement requirement in Section 8 of the agreement, removal of the requirements that FRA Class of Track must be achieved within a set time period, removal of references to a five year engineering plan and budget since the C&OR is already providing this information on an annual basis, and extending the reporting dates from March 15 to April 15. Mr. Dietrich indicated this change should prevent the need to grant further time extensions for the reporting.

Mr. Bill Strawn, President of the Ohio Central Railroad Systems, was present at the meeting and thanked the commission for all of its efforts to assist them. He reported his company has already invested $26 million in the line and indicated the longevity in the lease in critical to the continued partnership between the railroad and the state.

Commissioner Jackson commended Ohio Central for its years of service along the line and indicated as long as he has been a commissioner he has never heard a complaint about the railroad in regard to its maintenance and operation of this line. He indicated he is in favor of extending a long term lease to Ohio Central.

Chairman Betts asked for a motion to approve Resolution 07-06. Commissioner Gibson moved to approve the motion and Commissioner Bennett seconded the motion. Roll call was taken with eight votes in the affirmative. Note: Commissioner Roberts left the room and was not present for the discussion of this Resolution or the vote.

July 2007 Meeting: EXECUTIVE DIRECTOR/FINANCE REPORT

Mr. Dietrich reported he is working with the Federal Railroad Administration and the Seneca Group (the FRA's financial advisor) on the RRIF Loan for the Panhandle Rail Line. There are several issues involved with the long term financing with the FRA preferring to offer a long-term lease to the current operator (Ohio Central). Discussion followed with Commissioner Jackson inquiring about the term of the operating agreement and whether a long term lease (20 years) would be the best way to proceed.

Mr. Dietrich indicated this is an issue that can be discussed in greater detail at the commission/staff retreat in August but will definitely need to be looked into.

This was the last official Commission action in regard to the Panhandle Rail line.

The Commissioners have expressed an interest in extending the lease on the Panhandle Rail Line. To facilitate that discussion, staff has developed the following points for the Commission to consider which are divided into 3 broad categories:

1. Policy / Procedure: This is a broader category which can include elements of the other categories but touch on the "public" nature of the line.
    a. Bid / No bid: This was a major topic of the previous sale discussion. It is the opinion of staff that a long-term lease should not be bid for the following reasons: 1) the C&OR's "sweat equity" & performance in providing quality service to shippers, building the traffic base, and investing in the line's track and fixtures for 15 years; 2) C&OR winning the competitive bid process jointly conducted by Conrail and the State of Ohio in 1991, and winning the ORDC bid process for operations of the line in 1997; 3) the disruption to existing shippers and to potential economic development projects that a competitive selection process naturally engenders. HOWEVER, if the no bid option is pursued, there needs to be an extra level of due diligence to ensure that the ORDC's actions are consistent with the larger goal of improving overall railroading in Eastern Ohio.
    b. Discussions with Interested Parties / Outreach to Interested Parties: The ORDC has been involved in lawsuits over this line and it received strong objections to the proposed sale from interested parties. Staff believes at a minimum, ORDC should reach out to these groups to discuss their views on a long term lease. There are many ways to approach this but staff believes the most constructive and efficient way is to develop a draft agreement and solicit comments on that agreement.`
    c. Passenger / Excursion Rail: Throughout the years, there have been many proposals for some type of passenger rail service, ranging from commuter to excursion to a main route of the Ohio Hub Plan. The railroad has been rightly concerned about its liability with any passenger rail on the Panhandle Rail line. It is staff belief that a long term lease should be structured in such a way that ORDC can allow communities to develop plans with the least amount of exposure to the operating railroad.
    d. Property Management: What level of control would the Commission like to provide the Operating Railroad under the agreement?
    e. What level of oversight would the Commission like to maintain over the railroad? Approve maintenance plans? Approve trackage rights? Require set level of investment or be satisfied with maintenance of track to FRA Class of Track?
    f. If ORDC Commissioners desire to pursue a 25 year lease with the C&OR, staff envisions a process that follows along these lines:

i. Draft "Preliminary 25 Year Lease Agreement" in conjunction with ORDC Commissioners. The Commissioners can appoint a Sub Committee for this purpose to work with Staff, or the Staff can report to the full Commission.
ii. Staff takes the Commission approved Preliminary 25 Year Lease out for comment with interested parties, adjoining railroads, and public officials.
iii. Based on public comment, Staff develops a "Draft 25 Year Lease Agreement" in conjunction with ORDC Commissioners as developed in step 1 above.
iv. Staff in conjunction with ORDC Commissioners uses the Draft 25 Year Lease to negotiate a "Final 25 Year Lease".

2. Business Case: The Panhandle Rail Line is an example of a successful public-private partnership. If, as the partnership has evolved, there are issues with the existing management and lease structure that is impeding its continued success, it is incumbent on the ORDC to re-examine that relationship. The C&OR has made various statements with regard to its limitations in investing funds in the rail line beyond those required by the operating agreement because of the duration of the current contract. To proceed, the following basic questions need to be answered to the satisfaction of the Commission:
    a. What is wrong with the status quo? Or How is the current operating agreement impeding the railroad from improving rail service in Eastern Ohio?
    b. What investment/repairs need to be performed on the rail line that the railroad can not / will not do under the current operating agreement?
    c. If the Commission will extend the operating agreement, what additional responsibilities is the railroad willing to commit to do under a long term lease?

3. Financial Value of the State Asset: At the July 2006 meeting, ORDC contractor BSE Partnership, LLC presented a report to the Commission stating that the value of the Panhandle Rail line is $799,000 annually for a 25-year lease. To date, no information has been brought forward to contradict this value. If the ORDC is to deviate from its own consultant's recommendation, there must be a rationale developed. Such reasons could include:
    a. A counter-report offered by the operating railroad accepted by the Commission.
    b. Value-added contributions brought by the operating railroad in the form of:
        i. Paying off the existing debt
        ii. Assuming responsibility for some or all of the long term maintenance required on the line, including documentation on which ones and when.

PASSENGER RAIL TOPICS OF DISCUSSION
Ohio Rail Development Commission - Retreat 2007

OHIO HUB STUDY OUT-STANDING ISSUES:

1. The capital costs are in 2002 dollars.
    a. QUESTION: Should ORDC update the capital costs along with the financial and economic analysis?
    b. The AASHTO Intercity Passenger Rail Transportation Update has provided an escalation of the Ohio Hub costs to 2006 dollars.
2. The 3-C Corridor Engineering Analysis dates back to 2000.
    a. Railroad capacity and capital requirements have not been examined at the same level of detail as the other Ohio Hub corridors.
    b. The feasibility and impact of 28-foot track centers has not been evaluated?
    c. We do not understand corridor performance as a *"stand alone"* operation.
    QUESTION: Should ORDC advance a *"3-C corridor audit?"*
3. The Ohio Hub Economic Impact Study does not include all seven of the Ohio Hub corridors.
    QUESTION: Should ORDC revise the Ohio Hub Economic Impact Study to include all seven of the Ohio Hub corridors?

OHIO HUB COORDINATION WITH PROJECT PARTNERS:

4. The railroads need to be re-engaged in the Ohio Hub planning process.
    a. QUESTION: When should ORDC schedule meetings with the railroads to discuss the current status of the Ohio Hub project development?
5. The federal government has not yet recognized the Ohio Hub as a "*High-Speed Rail Corridor"*.
    QUESTION: Should ORDC continue to pursue a federal designation for the Ohio Hub as a high speed rail corridor?
6. The Ohio Hub has not been formally endorsed by our state partners.
    QUESTION: Should ORDC meet individually with the States or should we host a meeting of the *Midwest High-Speed Rail Compact* to update the states and pursue their endorsement of the plan (Jim Seney was the previous Compact Chairperson)?
7. Local governments need to prepare to capture the economic impacts.
    QUESTION: How should ORDC provide *"station-area planning"* assistance to ensure that the economic value and development potential of an Ohio Hub station is captured?

OHIO HUB NEXT STEPS:

8. Public and Agency Input and Release Strategy.
    a. QUESTION: When should ORDC publicly release the updated results and provide an opportunity for public and agency comment?
    b. QUESTION: Should ORDC repeat the previous outreach strategy or should it be revised with new messages targeted to specific audiences?
9. Ohio Hub Start-up Passenger Rail Service.
    a. QUESTION: Should ORDC work with Amtrak to initiate a planning process to identify possible alternative start-up services and advance the most cost-effective options?
10. Federal Appropriations Request for 2009.
    a. QUESTION: Should ORDC continue to work with Ohio's Congressional Delegation to secure federal funding for an Ohio Hub PEIS?
    b. QUESTION: Should ORDC continue to pursue funds for a system-wide Programmatic EIS or modify the request to pursue funding for a 3-C EIS?
11. Ohio Hub and Commuter Rail Planning:
    QUESTION: Should ORDC explore joint development possibilities with commuter rail?
    QUESTION: Should ORDC contribute to and participate in local commuter rail projects?

ORDC "Outreach & Strategy Issues"

Ohio Hub Plan

- How do we build stronger support and a winning strategy for funding the PEIS, and what role do Commissioners see themselves playing in that strategy?
- Who are we missing as far as engaging support from key leaders? How can Commissioners help in identifying those key leaders?
- Now that we have a Final Draft Plan, how do we engage the editorial boards at the major Ohio media outlets, both print and broadcast?

Funding for Rail

- The focus of the debate has changed in the wake of the Minneapolis bridge collapse: no longer a question of "should we" but "how do we best invest transportation $$$" and "where do we find new and reliable revenue sources?"
- How do we get the message across that investment in rail (both passenger & freight) corridors takes some of the overload off of our highways and bridges at the state and local level and reduces both the cost of repair & replacement?
- How do we assist Senator Cafaro and her colleagues in helping to identify potential revenue sources that can be dedicated to rail & transit development? How would this better position Ohio for attracting and obtaining greater federal matching funds?
- How do we help advance the efforts at the federal level for passage of legislation that significantly and positively impacts rail development? (i.e.: Senate Bill 294, tax credits for rail infrastructure improvements, etc.)

ORDC Image

- ORDC's profile is both more visible and positive than ever in the eyes of the public, media, legislature and administrative branch. How do we raise that profile higher & better?
- How can Commissioner better communicate local issues from their home areas so we can respond with timely and effective letters to the editor and/or op-ed columns? These seemingly local issues can sometimes carry statewide implications.
- New logo: current logo is severely dated and does not speak to the modern image and importance of our railroads and how they serve Ohio.

- ORDC Website: functional, but institutional are comments I've fielded. How do we change that as part of raising our profile?
- How do Commissioners feel about perhaps engaging the Columbus College of Art & Design to take on the task of a logo and website change? Do you see it as a way of also engaging the education community in what we do and how we can help them connect the dots (so to speak) between rail and art & design?
- How can we equip Commissioners better with handouts, CD's, DVD's, etc that tell ORDC's story and market our programs?